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Voluntary - Public

Date: 12/17/2009
GAIN Report Number: TW9065

Taiwan

Post: Taipei

Conclusion of Taiwan 2009 CSQ Rice Quota Tenders

Report Categories:

Grain and Feed

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Report Highlights:

On December 15, Taiwan awarded 6,000 tons of the 2009 country specific quota (CSQ) under a global quota basis to one U.S. rice handler at NT\$25,817/mt (\$799.04/mt). As of reporting date, Taiwan has completed 90,284 tons of its 2009 CSQ for public sector imports, SBS and normal tender combined – marking a 96 percent tender completion rate. The remaining 2009 unfilled quota of 3,784 tons, of which 1,150 tons were U.S. and 2,634 tons Australia origin CSQ. According to Council of Agriculture (COA), Taiwan has concluded its tenders for the 2009 rice CSQ after they completed the December 15 and December 17 tenders.

Executive Summary:

Two tenders, GF4-980-201 for 8,634 tons of Australian CSQ and GF4-980-200 for 1,150 tons of U.S. CSQ, failed their third tender on November 26 and were transferred to the global quota. These two tenders were then tendered under a global quota basis on December 15 and December 17 respectively. However, only 6,000 tons of the GF4-980-201 was awarded during the December 15 tender while the remaining 2,634 tons under GF4-980-201 and 1,150 tons under GF4-980-200 will be short filled. According to Council of Agriculture (COA), Taiwan has concluded its tenders for

the 2009 rice CSQ after they conducted the December 15 and December 17 tenders. COA is now moving on to the 2010 CSQ rice quota tenders.

Taiwan has scheduled its first tranche of the 2010 CSQ rice tender under Simultaneous-Buy-Sell (SBS) tender for December 29, 2009 as follows.

1. Tender GF4-980253 for 6,000 tons U.S. origin.
2. Tender GF4-980254 for 6,500 tons Australia origin.
3. Tender GF4-980255 for 4,000 tons Thai origin.

In addition, on November 27, Taiwan successfully allocated 15,000 tons of its annual private sector quota rights to 40 Taiwan rice importers, with lowest offered bidding price of NT\$6.179/kg and highest NT\$13.500/kg, weighted average NT\$6.796/kg (\$210.15/mt, exchange rate: NT\$32.34 to \$1).

General Information:

2009 CSQ Rice Tender Results (Exchange rate: NT\$32.23 to \$1 on 11/26/2009; NT\$32.31 to \$1 on 12/17/2009)

1. GF4-980-200 for 1,000 tons U.S. origin short grain milled glutinous rice (1,150 tons brown equivalent):

This tender failed the third tender on November 26 and failed again on the December 17 tender on a global basis as bidding prices exceeded COA ceiling price.

Two bidders participated in the November 26 bid, with lowest offered bidding price of NT\$45,495/mt (\$1,411.57/mt). Taiwan held another tender on December 17 for these unfilled 1,150 tons U.S. CSQ under a global basis. The tender failed again with only one bidder participating who offered bidding price of NT\$41,388/mt (\$1,280.96/mt) for 600 tons of Vietnamese glutinous rice.

2. GF4-980-201 for 8,634 tons Australia origin medium/short grain brown rice:

This tender failed the third tender that was held on November 26 because no bidders participated. The tender was held on December 15 under a global quota basis. Taiwan awarded 6,000 tons to one out of three U.S. rice handlers who participated in the bid at NT\$25,817/mt (\$799.04/mt), with 2,634 tons short filled.

Tables

Table 1 – Taiwan's 2009 Country-Specific Quota (CSQ) for Public Sector Imports (12/17/2009 update)

Country	SBS System	Normal Tender System	Total
Egypt	2,500	0	2,500
Thailand	8,300	0	8,300
Australia	10,000	8,634	18,634
USA	9,200	55,434	64,634
2009 Total	30,000	64,068	94,068

Taiwan has completed the first tranche of 18,000 tons of SBS tenders by 3/11/2009 for importation by 12/31/2009, and done the second tranche of SBS tenders by 10/30/2009 for importation by 04/30/2010.

Taiwan has awarded 54,284 tons of U.S. CSQ rice quotas under normal tender, 4,600 tons on 09/15/2009, 19,200 tons on 10/01/2009, 14,274 tons on 11/03/2009 and 16,210 tons on 11/17, making a 98 percent tender completion rate. The remaining 1,150 tons failed three tenders and was switched under global quota, which failed the 12/17/2009 tender on a global basis.

As of 12/17/2009, Taiwan has completed 90,284 tons of its 2009 CSQ for public sector imports, SBS and normal tender combined – marking a 96 percent tender completion rate. The remaining 2009 unfilled quota is 3,784 tons, of which 1,150 tons were U.S. and 2,634 tons Australia origin CSQ will be short filled according to Taiwan Council of Agriculture (COA).

Table 2 – Summary Tender Schedule & Results for the 2009 CSQ Quota (12/17/2009 update)

Tender Type	Tendering Process	Tender Number and Country Origin
SBS - Tranche 1 for importation by 12/31/2009	1st tender on 12/30/2008	GF4-970-271 for 6,000 tons U.S. origin: completed at the 1st tendering process at various markup prices -- 2,110 tons at NT\$0.6/kg (\$18.18/mt); 1,500 tons at NT\$0.595/kg (\$18.03/mt); another 1,500 tons at NT\$0.59/kg (\$17.88/mt); and the remaining 890 tons at NT\$0.581/kg (\$17.61/mt).
	1st tender on 12/30/2008	GF4-970-272 for 6,000 tons Australia origin: Awarded 190 tons at the 1st tendering process -- 150 tons at NT\$2.5/kg (\$75.76/mt) and 40 tons at NT\$2.0/kg (60.61/mt).
	2nd & 3rd tender on 01/14 & 01/21/2009	TGF4-970-272-1 for the remaining 5,810 tons failed at the 2nd and 3rd tendering processes because no bidders participated in the bidding.
	1st re-tender on	GF4-970-272-2 for 5810 tons on a global basis. 2,500 tons were awarded at the 4th tender to six

	02/11/2009	bidders at the range of NT\$8.2/kg to NT\$9.0/kg.
	2nd re-tender on 03/11/2009	GF4-970272-2 for 3,310 tons on a global basis. The tender was awarded to 3 bidders among 14 with respective quota amounts of 1,000 tons, 2,000 tons, and 310 tons all at one price NT\$6.022/kg.
	1st tender on 12/30/2008	GF4-970-273 for 6,000 tons Thai origin rice: The tender was completed at the 1st tender processing and was awarded to four importers handling Thai rice at the same offer price of NT\$8.8/kg (\$266.67/mt).
Sub-total: 18,000 tons (completed 03/11/2009)		
SBS – Tranche 2 for importation by 04/30/2010	1st Tender on 08/25/2009	GF4-980-153 for 3,200 tons U.S. origin: 650 tons completed at the 1st tender process held on 08/25 of which 160 tons was awarded at NT\$0.501/kg (\$15.22/mt), and 460 tons at NT\$0.720/kg (\$21.87/mt).
	2nd Tender on 09/03/2009	2,460 tons completed at the 2nd tender process held on 09/03 of which 2,000 tons was awarded to one U.S. rice handler and 460 tons to another U.S. rice handler -- all at NT\$0.503/kg (\$15.27/mt).
	3rd Tender on 09/15/2009	The remaining 90 tons was successfully awarded to one U.S. rice handler at NT\$0.610/kg (\$18.67/mt).
	1st Tender on 08/25/2009	GF4-980-154 for 4,000 tons Australia origin rice: Failed because no bidders participated in the bid.
	2nd Tender on 09/03/2009	Failed at the second tendering process because of no bidders participated in the bid again.
	3rd Tender on 09/15/2009	Failed at the third tendering process because of no bidders participated in the bid again and is opened for re-tender on a global quota basis.
	1st Re-tender on 10/30/2009	Tender completed on a global quota basis. Seven out of nineteen participating bidders were awarded at the same price of NT\$8.828/kg (\$271.21/mt) for 240 tons to 1,000 tons.
	1st Tender on	GF4-980-155 for 2,300 tons Thai origin rice:

	08/25/2009	Tender successfully concluded and was awarded to 3 out of 20 bidders participating in the bid at NT\$8.720/kg (\$264.96/mt).
	1st Tender on 08/25/2009	GF4-980-156 for 2,500 tons Egypt origin rice: Failed because only one bidder participated in the bid, which is invalid for competition.
	2nd tender on 09/03/2009	2,000 tons completed at the 2nd tender process held on 09/03 of which 1,000 tons was awarded at NT\$0.560/kg (\$17.01/mt), and another 1,000 tons at NT\$0.660/kg (\$20.04/mt).
	3rd Tender on 09/15/2009	The remaining 500 tons was successfully awarded to one Egyptian rice handler at NT\$0.660/kg (\$20.20/kg).
Sub-total: 12,000 tons (Completed on 10/30/2009)		
Total SBS Quota: 30,000 tons		
Normal Tender- 1st Tranche of 20,005 tons on brown (4,600 tons awarded on 09/15 for 01/31/2010 delivery; 15,405 tons awarded on 11/17/2009 for		GF4-980-171 for 10,000 tons U.S. origin medium/short brown rice
	1st Tender on 09/15/2009	Three bidders participated in the bid. The tender failed because offered bid prices exceeded the pre-set ceiling price level, with the lowest bid offered at NT\$27,995/mt (\$856.90/mt)
	2nd tender on 11/17/2009	GF4-980-171-1 for 10,000 tons U.S. origin medium/short brown rice: Tender completed and was awarded to two winning bidders out of four bidding participants 5,000 tons each at the same offered bidding price of NT\$25,936/mt (\$805.46/mt).
		GF4-980-172 for 8,700 tons U.S. origin medium/short milled rice (10,005 tons brown equivalent)
	1st Tender on 09/15/2009	Taiwan awarded 4,000 tons (4,600 tons on brown basis) to one out of three bidders that participated in the bid at NT\$30,499/mt (\$933.54/mt). The remaining 4,700 tons (5,405 tons on brown) will be scheduled for the 2nd tender before the end of CY2009.

04/30/2010 delivery)	2nd Tender on 11/17/2009	GF4-980-172-1 for 5,400 tons U.S. origin medium/short milled rice (6,210 tons brown equivalent): Tender completed and was awarded to one bidder out of two bidding participants at NT\$29,400/mt (\$913.04/mt).
Normal Tender-2nd Tranche of 20,005 tons on brown (19,200 tons awarded on 10/01 for 02/28/2010 delivery; remaining 805 awarded under GF4-970-172-1 on 11/17/2009 for 04/30/2010 delivery)	1st Tender on 10/01/2009	GF4-980-191 for 10,000 tons U.S. origin medium/short brown rice The tender was completed successfully. Two of the three bidders that participated in the bid were awarded 6,000 tons and 4,000 tons, respectively, at the same offered bidding price of NT\$27,290/mt (\$847.52/mt) DDP at destination.
	1st Tender on 10/01/2009	GF4-980-192 for 8,700 tons U.S. origin medium/short milled rice (10,005 tons brown equivalent) The tendering of 8,000 tons (9,600 tons brown equivalent) was successfully completed, with the remaining 700 tons pending for the 2nd tendering process. Two of the three bidders that participated in the bid were awarded 4,000 tons each at the same offered bidding price of NT\$31,399/mt (\$975.12/mt)
	2nd Tender on 11/17/2009	*The remaining 700 tons (805 tons brown equivalent) has been combined with GF4-980-172-1 and awarded on 11/17/2009 for 4/30/2010 delivery.
	1st tender on 11/03/2009	GF4-980-199 for 14,274 tons U.S. origin medium/short brown rice The tender was successfully completed at the 1st tender. Three bidders participated in the bid, of which two were awarded 2,000 tons and 7,000 tons respectively at the same offered bidding price of NT\$25,990/mt (\$798.40/mt) and the other 5,274 tons at NT\$26,870/mt (\$825.50/mt).
	1st tender on	GF4-980-200 for 1,000 tons U.S. origin short glutinous milled rice (1,150 tons brown equivalent) The tender failed because offered bidding prices

(14,274 tons awarded on 11/03/2009, 6,000 tons awarded on 12/15/2009 for 3/31/2010 delivery, the remaining 3,784 tons are going to be short filled.	11/03/2009	exceeded COA ceiling price. Two bidders participated in the bidding with offered bidding prices of NT\$46,448/mt (\$1,426.97/mt) and NT\$49,948/mt (\$1,535.63/mt), respectively.
	2nd tender on 11/12/2009	The tender failed because offered bidding prices exceeded COA ceiling price. Three bidders participated in the bidding, one failed because of submitting wrong size of samples for technical bidding, and the other two failed because of offered bidding prices exceeding ceiling price, with NT\$45,495/mt (\$1,406.33/mt) and NT\$48,568/mt (\$1,501.32/mt) for 200 tons and 300 tons respectively.
	3rd tender on 11/26/2009	The tender failed because offered bidding prices exceeded COA ceiling price. Two U.S. glutinous rice handlers participated in the bid, with lowest offered price of NT\$45,495/mt (\$1,411.57/mt).
	Global tender on 12/17/2009	GF4-980-200 for 1,000 tons on a global basis. Only one Vietnamese glutinous rice handler participated in the bid, with offered bidding price of NT\$41,388/mt (\$1,280.96/mt). The tender failed because of offered bidding price exceeded COA ceiling price.
	1st tender on 11/03/2009; 2nd tender on 11/12/2009; 3rd tender on 11/26/2009	GF4-980-201 for 8,634 tons Australia origin medium/short grain brow rice. The tender failed three tendering processes for the same reason that no bidders participated in the bid, indicating Australian rice in short supply.
	Global tender on 12/15/2009	GF4-980-201-3 for 8,634 tons on a global quota basis. Taiwan awarded 6,000 tons to one out of three U.S. rice handlers who participated in the bid at NT\$25,817/mt (\$799.04/mt), with 2,634 tons short filled.

Total Normal Tender Quota: 64,068 tons
